

NEWS RELEASE



***OFFICE OF THE UNITED STATES ATTORNEY
SOUTHERN DISTRICT OF CALIFORNIA
San Diego, California***

***United States Attorney
Carol C. Lam***

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For Immediate Release

NEWS RELEASE SUMMARY - December 16, 2005

United States Attorney Carol C. Lam announced that Metabolife International Inc. was sentenced today in U.S. District Court in San Diego by the Honorable Barry Ted Moskowitz to pay a criminal fine of \$600,000, and ordered the company to serve three years of supervised probation, following its conviction on federal criminal tax charges.

Metabolife International Inc. pled guilty on October 5, 2005, to a two-count Information charging the company with Filing False Income Tax Returns. According to the plea agreement, William Robert Bradley, one of the owners of Metabolife International, Inc., acting as an agent of Metabolife, knowingly and willfully caused Metabolife to subscribe to its corporate federal income tax returns for the calendar year 1997 (Form 1120) and 1998 (Form 1120X) which failed to include: (1) \$231,644.41 in income from “off-the-books” accounts; (2) \$335,066.61 in corporate income that was falsely classified as repayment of shareholder loans;

and (3) \$500,000 in overstated "sales returns and allowances" that was, in reality, distributed to Metabolife's principals. As a result of omitting these items, Metabolife evaded the payment of \$339,221.23 in income taxes.

United States Attorney Lam said, "Metabolife tried to cheat on its taxes, pure and simple, and corporate tax cheats do not receive special treatment."

IRS Special Agent-in-Charge Kenneth J. Hines stated, "Elaborate tax evasion schemes were devised to intentionally evade Metabolife's corporate income taxes. IRS Criminal Investigation will continue to aggressively pursue corporations and individuals who attempt to conceal their true income from the Internal Revenue Service through sham transactions."

William R. Bradley is scheduled to be sentenced on April 28, 2006, at 11:00 a.m., in U.S. District Court in San Diego before Judge Moskowitz.

DEFENDANT

METABOLIFE INTERNATIONAL, INC.
San Diego, California

Case No. 05 CR1757-BTM

SUMMARY OF CHARGES AND MAXIMUM PENALTIES

Counts: Two

Filing False Income Tax Returns, in violation of Title 26, United States Code, Section 7206.
Each count carries a maximum penalty of three years in prison and/or a \$100,000 fine.

AGENCY

Internal Revenue Service, Criminal Investigation